Capitalism and social democracy

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Introduction

Not to repeat past mistakes: the sudden resurgence of a sympathetic interest in social democracy is a response to the urgent need to draw lessons from the history of the socialist movement. After several decades of analyses worthy of an ostrich, some rudimentary facts are being finally admitted. Social democracy has been the prevalent manner of organization of workers under democratic capitalism. Reformist parties have enjoyed the support of workers. Perhaps even more: for better or worse social democracy is the only political force of the Left that can demonstrate a record of reforms in favor of workers.

Is there anything to be learned from the social democratic experience? The answer is by no means apparent, as years of a *tout court* rejection testify. One may reject, as the revolutionary Left of various shades has done during one hundred years, the electoral alternative. But if insurrection by a minority is rejected – either because it is unfeasible or because it does not lead to socialism – then social democracy is the only historical laboratory where lessons can be sought. The cost of repeating past mistakes cannot be ignored: we continue to live under capitalism.

But what is a "mistake"? The very possibility of committing mistakes presupposes simultaneously a political project, some choice among strategies, and objective conditions that are independent with regard to the particular movement. If the strategy of a party is uniquely determined, then the notion of "mistakes" is meaningless: the party can only pursue the inevitable. "We consider the breakdown of the present social system to be unavoidable," Karl Kautsky wrote in his commentary on the Erfurt Programme of the *Sozialdemokratische Partei Deutschlands* in 1891, "because we know that the economic evolution inevitably brings on the conditions that will compel the exploited classes to rise against this system of private ownership." (1971: 90) Socialism was seen as an inevitable consequence of economic development, and the party, while necessary, was itself a determined link in the chain of causality. Plekhanov provided the most explicit formulation of this view: "Social Democracy views historical development from the standpoint of necessity, and its own activities as a necessary link in the chain of those necessary conditions

which combined make the victory of socialism inevitable." (1965: vol. XI, 77) In this model of history, economic factors were thought to determine simultaneously the conditions for the revolution and the actions of people under these conditions. The activity of the party was thus predetermined. There was no room for errors. In a world of necessity the question of errors cannot even be posed.

It is perhaps less apparent that the notion of mistakes is also rendered meaningless within the context of a radically voluntaristic understanding of historical possibilities. Critics of social democracy often adopted a voluntaristic posture. For them, the deterministic model of history was destroyed by the Soviet Revolution. Since a revolution had occurred where economic conditions were not "ripe," suddenly it became possible under all circumstances. Hence Lukacs, writing in 1924, asserted that "The theory of historical materialism therefore presupposes the universal actuality of the proletarian revolution." (1971: 11–12) Trotsky, who thought that objective conditions "have not only 'ripened'; they have begun to get somewhat rotten," claimed in 1938 that "All now depends upon the proletariat, i.e., *chiefly* on its revolutionary vanguard. The historical crisis of mankind is *reduced* to the crisis of the revolutionary leadership." (Claudin, 1975: 79) Horkheimer despaired in 1940 that the "present talk of inadequate conditions is a cover for the tolerance of oppression. For the revolutionary, conditions have always been ripe." (1973: 11) But if everything is always possible, then only motives explain the course of history. For an error is a relation between projects and conditions; mistakes are possible if and only if some strategies are ineffective in advancing the realization of a given project under existing conditions while other strategies would have advanced it under the same conditions. If everything is possible, then the choice of strategy is only a matter of will; it is the same as the choice of the project itself. Hence biographical factors become the key to the understanding of social democracy. MacDonald's addiction to the King's tea becomes the cause of his betrayal; understanding of the movement is reduced to discoveries of deceptions, scandals, and betrayals. "Betrayal" is indeed the proper way of understanding social democratic strategies in a world free of objective constraints. But accusations of betrayal are not particularly illuminating in the real world.

Accidents may be the motor of history, but somehow it seems implausible that so many political leaders of workers would by mere chance happen to be "traitors." And even if they were, Claudin is right in observing that "This explanation calls out for another to be given: why did the workers follow these 'traitor' leaders?" (1975: 56) We must admit the fact that, as Arato put it,

a version of the theory that hardly exhausts, and in part falsifies, the theoretical project of Karl Marx managed to express the immediate interests of the industrial working class –

the social stratum to which all political Marxisms have been inevitably drawn – and . . . the philosophy of praxis that projected a link between the objective possibilities of the present and a liberated future almost always has been politically irrelevant. (1973: 2)

Neither "ideological domination" nor repression is sufficient to account for the manner in which workers organize and act under capitalism. The working class has been neither a perpetual dupe nor a passive victim: workers did organize in unions and in most countries as political parties; these organizations have had political projects of their own; they chose strategies and pursued them to victories as well as defeats. Even if itself molded by capitalist relations, the working class has been an active force in transforming capitalism. We will never understand the resilience of capitalism unless we seek the explanation in the interests and in the actions of workers themselves.

If we are to draw lessons from historical experience, we can assume neither that the practice of political movements is uniquely determined by any objective conditions nor that such movements are free to act at will, independently of the conditions they seek to transform. These conditions constitute at each moment the structure of choice: the structure within which actors deliberate upon goals, perceive alternatives, evaluate them, choose courses of action, and pursue them to create new conditions.

Any movement that seeks to transform historical conditions operates under these very conditions. The movement for socialism developed within capitalist societies and faced definite choices that arise from this particular organization of society. These choices have been threefold: (1) whether to seek the advancement of socialism within the existing institutions of the capitalist society or outside of them; (2) whether to seek the agent of socialist transformation exclusively in the working class or to rely on multi- or even non-class support; and (3) whether to seek reforms, partial improvements, or to dedicate all efforts and energies to the complete abolition of capitalism.

These choices constitute the subject of the book. While the issue of participation is discussed only briefly, as a prologue to the story, the questions of the relation between the socialist movement and the working class and of the strategy of socialist transformation are formulated systematically, analyzed empirically, and applied to the analysis of concrete historical events. Although a collection of articles written over the span of six years, the book is narrowly directed to the analysis of two principal theses: (1) in the process of electoral competition socialist parties are forced to undermine the organization of workers as a class, and (2) compromises over economic issues between workers and capitalists are possible under capitalism and at times preferred by workers over more radical strategies. These two hypotheses explain why in many democratic capitalist countries workers were and continue to be organized by

multi-class-oriented, economically reformist electoral parties – "social democratic" parties, whether or not they wear the label. These hypotheses imply at the same time that reforms are not irreversible and cumulative and thus provide the basis for a critique of social democracy.

The book consists of four parts. The first chapter, "Social Democracy as a Historical Phenomenon," provides the overall theoretical and historical framework for the entire analysis. The next two chapters analyze the role of political parties in the process of organization of workers into a class. Chapter Two, "Proletariat into a Class," provides a review of the marxist historiography of the processes of class formation. The central argument is that the organization of politics in terms of class should be seen as a contingent historical outcome of continual conflicts, in the course of which classes become organized, disorganized, and reorganized. This theoretical approach is applied in the subsequent chapter to analyze the strategies of electoral socialist parties and their effect on the voting behavior of individual workers in seven European countries since the turn of the century. The analysis demonstrates that socialist parties faced a choice between pursuing votes and organizing workers as a class and that an overwhelming mandate for socialist transformations is not a likely outcome of elections regardless of strategies parties adopt.

The next three chapters are devoted to the choice of economic strategies facing workers under democratic capitalism. Chapter Four, "Material Bases of Consent," presents those elements of the economic structure and the political institutions of democratic capitalism which mold the terms of choice available to workers. This chapter sets the general theoretical framework within which strategic questions can be analyzed. The argument in Chapter Five demonstrates that a compromise which entails the perpetuation of capitalist forms of property is under some circumstances preferable for workers who seek to maximize their material welfare. Even if socialism were superior in satisfying material needs, the threat of disinvestment may prevent workers from supporting a strategy of transition. Chapter Six emphasizes that the combination of private ownership of the means of production with political democracy is a compromise and highlights the threat to democracy embodied in the current right-wing offensive.

The theoretical principles which underlie the entire book are reviewed in the last chapter. In a polemic with a theory of exploitation and class offered by John Roemer, this chapter provides a statement of theoretical issues that remain unresolved. Finally, the Postscript returns to the prospects for socialism and the question of the transformative capacity of social democracy.

This book is a result of a gnawing obsession that forsaken possibilities are hiding somewhere behind the veil of our everyday experiences. A search for

possibilities must reconstruct the logic of choices faced by the movement for socialism within the capitalist society; it must recreate the historical possibilities that were opened and closed as each choice was made and find which of the past decisions constrain our present alternatives.

These tasks call for a particular methodology. Social relations are treated here as structures of choices available to the historical actors, individual and collective, at each moment of history, and in turn as the outcomes of strategies adopted earlier by some political forces. Behavior is thus analyzed as strategic action, oriented toward goals, based on deliberations, responding to perceived alternatives, resulting from decisions. Some of the alternatives appear rather clear, at least in retrospect – so clear that they can be analyzed with the aid of mathematical models. This is the case of both electoral and economic strategies. Some other choices are well understood but difficult to calculate, for the actors involved as well as for observers, because the consequences of alternative courses of action are highly unpredictable. But there must also exist alternatives of which we are not aware. Particularly today, when it seems that the Left has lost not only its promise as a force of liberation but even its originality as an alternative for the next election, it remains difficult to believe that nothing else is possible. It is to uncover these forsaken possibilities that we need look back at the historical experience.